

Human Services Petty Cash Procedures

03-005.00

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Department of Human Services Petty Cash Procedures

The purpose of this accounting procedure is to list procedures for safeguarding and properly managing the petty cash funds for the Department of Human Services. The following procedures are in addition to State policy regarding petty cash funds. Petty Cash Custodians and Custodian Supervisors are expected to be aware of and comply with this accounting procedure in addition to State Policy regarding Petty Cash Funds (see FIACCT 05-23.01 for State Policy).

The following are additional Human Services Petty Cash Fund requirements:

- I. The petty cash fund must be reconciled at least monthly by the fund custodian and documentation must be maintained as evidence that the fund is reconciled monthly.
- II. The Division must monitor the petty cash fund and at least semi-annually ensure an independent separate reconciliation of the fund is performed, preferably unscheduled. Documentation of the independent reconciliation must also be retained.
- III. As part of the Division monitoring required in section II, Divisions should reduce the petty cash fund amount if determined excessive. State policy provides instructions for decreasing the petty cash fund amount.
- IV. Petty cash must be secured in a locked container. This container must be stored in a locked drawer or safe. The petty cash container and funds must only be accessible by authorized personnel.
- V. Cash advances for purchases from the petty cash fund are not permitted, except with preapproval from the Division/Office/Institution/Bureau or Regional Director on the Petty Cash Request Form FI52.
- VI. When the petty cash custodian makes a purchase using petty cash funds, the supervisor must approve the transaction prior to reimbursement. The supervisor is also responsible for signing the Petty Cash Request Form FI52 in place of the petty cash custodian's signature.
- VII. The supervisor of the petty cash custodian is responsible for any shortages or irregularities in the petty cash fund. Shortages or irregularities in the petty cash fund must be reported immediately to the Bureau of Internal Review and Audit.

- VIII. Petty cash funds must not be co-mingled with funds from any other source.
- IX. State Finance has granted an exception to the State Petty Cash procedures for the Division of Child and Family Services (DCFS). State Finance allows DCFS to make emergency payments to non-contracting providers on behalf of a client that serves basic, immediate needs as long as the purchased service or supplies are for small incidental items. The other Petty Cash requirements such as documenting the purchase with receipts, times, dates, type of purchase, etc. still apply to DCFS.